



## A BILL FOR AN ORDINANCE

RELATING TO REAL PROPERTY TAX RELIEF FOR PROPERTIES USED FOR AFFORDABLE HOUSING.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose. The purpose of this ordinance is to provide real property tax relief for certain properties that are used as affordable homes.

SECTION 2. Chapter 8, Article 7, Revised Ordinances of Honolulu 1990 ("Valuations"), is amended by adding a new section to be appropriately designated by the Revisor of Ordinances and to read as follows:

**"Sec. 8-7. Property dedicated as a government mandated affordable home.**

- (a) For the purposes of this section, the following definitions apply unless the context clearly indicates or requires a different meaning:

"Government mandated affordable home" means a home that initially only could be sold to persons whose household incomes fall within the low-income or moderate-income range. The affordability restriction on the initial sale of the home must be a requirement imposed by the city, State, or federal government.

"Dedication period" means, pursuant to the terms of the initial purchase agreement for a government mandated affordable home:

- (1) The period during which a government mandated affordable home must remain a government mandated affordable home; or
- (2) The period during which the State, a State agency or department, or the city has the first option to purchase a government mandated affordable home prior to the owner selling the government mandated affordable home;

whichever period is longer.

"Low-income" means household income that does not exceed 80 percent of the area median income.

"Moderate-income" means a household income that is greater than 80 percent, but does not exceed 120 percent, of the area median income.



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"Owner" means the fee owner of the real property.

- (b) The initial owner of real property purchased as a government mandated affordable home may make a dedication of the owner's property. The property must continuously and exclusively be used as the owner's principal home during the dedication period, as evidenced by the owner's receipt of the tax exemption pursuant to Section 8-10.4 for each year of the dedication period. The home may not be rented or sold during the dedication period.
- (c) Notwithstanding the provisions of Section 8-7.1, the assessed valuation of dedicated property shall be the initial purchase price of the dedicated property specified in the purchase agreement for the property."

SECTION 3. New ordinance material is underscored. When revising, compiling or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the Revisor of Ordinances need not include the underscoring.



**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

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ORDINANCE \_\_\_\_\_  
BILL 34 (2020)

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SECTION 4. This ordinance takes effect upon its approval and applies to the tax years beginning July 1, 2021, and thereafter.

INTRODUCED BY:

Tom Pua  
Mamala  
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DATE OF INTRODUCTION:

**MAR 5 2020**

Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
Deputy Corporation Counsel

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

\_\_\_\_\_  
KIRK CALDWELL, Mayor  
City and County of Honolulu